2007 budget: section III, Commission

2006/2018(BUD) - 05/12/2006

The committee adopted the report by its co-rapporteurs, James ELLES (EPP-ED, UK) and Louis GRECH (PES, MT), on the second-reading proposal on the draft EU budget for 2007. It agreed "in the context of an overall deal with Council" on a final level of payments of EUR 115.5 billion. This equates to 0.99% of the EU 27 gross national income (GNI) and represents an increase of around EUR 3.6 billion over the 2006 budget. The report emphasised that Parliament had followed a consistent strategy throughout its work on the 2007 budget, based on three main pillars: setting policy priorities, delivering value for money and preparing for the 2008/2009 review. It noted that Parliament's committees had been "modest" in their demands for increased payment appropriations when establishing Parliament's first reading on the 2007 budget. On the overall level of commitment appropriations, the committee said that Parliament had taken a "prudent approach" and had not requested the use of the flexibility instrument. Commitment appropriations had been set at or close to the ceilings in Annex I of the 2006 Interinstitutional Agreement (IIA) for the majority of the headings of the 2007 budget.

At first reading, Parliament had decided to place 30% of appropriations (totalling over EUR 500 million) in reserve on nearly 40 budget lines. Following negotiations, the committee welcomed "the constructive response of the Commission to the requirements set out by Parliament for the release of these reserves" and decided to maintain appropriations in reserve on only 4 budget lines. It stressed that Parliament would closely monitor spending on those lines in 2007 "in line with a declaration on better value for money".

In response to the Council's undertaking to provide Parliament with more information on activities in the area of the common foreign and security policy (CFSP), the committee proposed to restore the level of funding for the CFSP to the level proposed in the Commission's PDB and the Council's draft budget (EUR 159.2 million). Noting that no margin remained under heading 4 following the second reading on the 2007 budget and that increased commitments through amending budgets would therefore imply recourse to the flexibility instrument, it called on the Council to keep Parliament "fully informed on a pro-active a priori basis" of the financial needs for the forthcoming Kosovo mission.

As far as existing EU agencies were concerned, the committee decided to restore the appropriations in the PDB but said that increases above a reference amount should be placed in reserve "pending a positive evaluation of the performances of the agencies against their final work programmes".

Among other points raised in the report, the committee welcomed the agreement on making EUR 500 million available for the European Globalisation Fund for 2007 and reiterated Parliament's concern that the EU should develop a more proactive strategy "to engage with the opportunities and challenges of the ongoing process of globalisation". Lastly, it decided to restore some of the cuts made by the Council to "Other sections", arguing that "the institutions need to have the necessary tools to function and operate at a reasonably effective level".